

Iowa Medicaid Enterprise “Endeavors Update”



A Communications Effort to Strengthen Partnerships

Terry E. Branstad, Governor
Kim Reynolds, Lt. Governor

Iowa Department of Human Services
Charles M. Palmer, Director
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Special points of interest:

- Budget Update
- Dual Eligible Grant Unsuccessful
- AIDS/HIV Waiver
- Medicaid Projections
- New Series on IME Units
- Web Redesign Survey

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Iowa Medicaid Director's Column

During this time of year budget negotiations are on everyone's mind. At the time of this writing the Federal Government averted a shutdown with last minute negotiations. The Iowa Department of Human Services had planned for the possibility of a federal shutdown by taking action to ensure that Iowa Medicaid could continue to make payments to Iowa Medicaid providers. DHS proactively drew down federal matching funds, in ad-

vance, to provide cash flow in the event of a shutdown. This action would have sustained the current level of service at the IME for a period of three weeks. Fortunately, the government shutdown did not occur and services to Medicaid providers and members continued as usual. We will continue to watch federal activity as they move forward with budget negotiations and open up a new debate about the future delivery of Medicaid services. In

addition, we have updated information to share with you about the FY 12 state budget for Medicaid. Please see the story below.



Medicaid Budget Update: Strategy to Replace One-time Funds Progresses

The Iowa House of Representatives completed their initial work on the Iowa Department of Human Services FY 2012 Budget on April 7th with passage of HF 649 on a vote of 56-40. In a nutshell, Medicaid receives about \$504 million more in general fund dollars over the current year due to the effort to replace one-time funds with sustainable, general

fund dollars. Another major component of the Medicaid budget for FY 2012 is the implementation of many of the cost-containment strategies proposed early in the legislative session (discussed previously in the February "early edition" Newsletter). You can link to cost containment strategies at the LSA website. At this time, the House version in-

cludes all of the cost containment recommendations, except for the strategies regarding provider taxes. Also, the House version assumes that the proposal to move Psychiatric Medical Institutions for Children (PMIC) services under the Iowa Plan will be considered as part of the larger mental health redesign conversation. **Links on next page.**



Medicaid Budget Links

Legislative Services Agency analysis of the bill:

<http://www.legis.iowa.gov/LSAReports/nobaDetail.aspx?biid=678>

Proposed Cost Containment Strategies (Feb 2, 2011):

http://www.legis.iowa.gov/DOCS/LSA/SC_MaterialsDist/2011/SDJRB009.PDF

The July 6th MAAC Meeting will be held at 1:00 p.m. at the Ola Babcock Building on the Capitol Complex in the Forrest Spaulding Conference Room.

“Overwhelmed” by Turnout at MAAC Meeting

Increased efforts to promote participation in the Quarterly meeting of the Medical Assistance Advisory Council (MAAC) on April 6th were successful. Medicaid Director Vermeer thanked attendees and said she was “overwhelmed” by the turnout. The meeting was held on the Capitol com-

plex in order to make the meeting more accessible to participants and was aggressively promoted. Attendees heard updates about the Centralized Facility Eligibility Unit from Denise Gonzales of DHS and about the Money Follows the Person Project from Deb Johnson, IME Bureau Chief. Director

Vermeer gave updates on the Medicaid forecast for the rest of FY 11 and ahead to FY 12. Vermeer also presented an overview of the March 2011 Claims (paid, denied, and turnaround time). The next MAAC meetings are set for July 6th and October 5th. Please join us.

June 6 & 7 Council Bluffs
 June 8 & 9 Creston
 June 13 & 14 Sioux City
 June 15 & 16 Spencer
 June 20 & 21 Fort Dodge
 June 22 & 23 Marshalltown
 July 11 & 12 Ottumwa
 July 13 & 14 West Burlington
 July 18 & 19 Waterloo
 July 20 & 21 Decorah
 July 25 & 26 Mason City
 Aug 1 & 2 Bettendorf
 Aug 3 & 4 Carroll
 Aug 15 & 16 Coralville
 Aug 17 & 18 Dubuque
 Aug 22 -25 Des Moines

Annual Provider Trainings Announced June-August

The IME would like to invite all Medicaid providers to the annual provider training sessions. Based on increased provider interest and success last year, the IME is pleased to offer sessions in 16 different communities

around the state. There will be five basic training modules including general Medicaid policies and procedures, documentation standards, health information technology, case management and targeted case manage-

ment, and individual Consumer Directed Attendant Care (CDAC). The IME is using online registration to prevent overbooking of the training sessions as well as to simplify the sign-in process at each venue.

<http://www.ime.state.ia.us/Providers/ATRegistration.html>

Integrated Eligibility Project Vendor Demonstrations

In last month's newsletter we provided an update on planning activities for the Health Benefit Exchange and Medicaid Expansion including a reference to planned vendor demonstrations. The demonstrations have progressed and a link to the Request for Information is now available on the Department of

Administrative Services website. You can view the materials at the link below. An effective eligibility system is the most important factor in Iowa's ability to manage the growth and change in benefit programs and workloads anticipated from the Affordable Care Act. Iowa seeks a system with the flexibility

to meet future changes in Medicaid eligibility. Additionally, we want a system that will better align eligibility and member management activities with the Centers for Medicare & Medicaid Services (CMS) Medicaid Information Technology Architecture (MITA).

View the Request for Information and list of RFI Questions and Answers at the Department of Administrative Services website:

http://bidopportunities.iowa.gov/index.php?pgname=viewrfp&rfp_id=6079

Dual Eligible Grant Application Not Successful

The Centers for Medicare and Medicaid Services (CMS) has notified us that our proposal for the Dual Eligible Grant Demonstration did not meet the competitive requirements and is therefore not going to be awarded to Iowa. As a reminder, "dual eligibles" are those persons who qualify for both Medicare and Medicaid. They represent some of the most chronically ill and costly segments of

the Medicaid and Medicare population. Recently CMS announced that it would award 15 contracts for \$1 million to design a model aimed at improving the quality of care for these individuals. The full story about the grant application appeared in the February "late edition" Newsletter published on February 24, 2011.

"We were disappointed and have requested to receive a post-award debriefing on the findings with our submission."

Julie Lovelady

Deputy Medicaid Director





Better Understanding HCBS Waivers: AIDS/HIV Waiver (Sixth in a Series)

This month's series on "Better Understanding HCBS Waivers" will focus on the AIDS/HIV Waiver. The AIDS/HIV Waiver provides services to people who have an AIDS or HIV diagnosis. There is no age limit on who can be eligible for this waiver. The funding provides services to maintain people in their own homes and communities who would otherwise need to go to an institution for care. The cap on the cost of

total monthly services is \$1,751.00. Some of the services available under this waiver include adult day care, consumer directed attendant care (CDAC), counseling, home delivered meals, home health aide, homemaker, nursing and respite care. Like the other HCBS waivers, the services under the waiver must be cost-effective; that means the cost of these services must be less than the cost of institutional care.

The AIDS/HIV waiver, enacted in 1991, is the smallest waiver in terms of funding. In state fiscal year 2010 there was \$500,000 available in federal, state and county funding for this waiver. As of April 5, 2011, there were 39 Iowans enrolled in this program and another 12 approved under this waiver for a total of 51 being served. One person is currently on the AIDS/HIV waiver waiting list.

"The discovery of drugs that are effective is helping AIDS survivors live longer and more productive lives."

Sue Stairs
HCBS Program Manager

According to the Centers for Disease Control, there are about 1.1 million Americans living with HIV and about 21% of these persons do not know they are infected.

Learn more about the disease, prevention and current research at the CDC website:

<http://www.cdc.gov/hiv/>



AIDS/HIV Waiver Informational Packet:

<http://www.ime.state.ia.us/docs/AHPacket.pdf>

HCBS Waiting List (updated on April 5, 2011):

http://www.ime.state.ia.us/docs/HCBS_MonthlySlotandWaitingList.pdf

Iowa Department of Public Health Prevention and Care Efforts:

http://www.idph.state.ia.us/adper/hiv_aids.asp

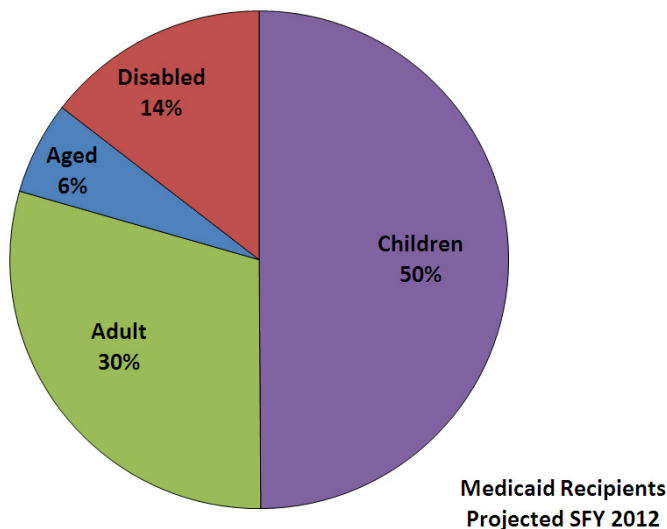
Medicaid Projections

The Medicaid forecasting group met in March and made no changes to the \$8 million surplus estimate for the current fiscal year. The anticipated \$565 million budget gap in SFY 2012 also remained unchanged. The \$565 million represents the difference between available revenue and

anticipated expenditures in SFY 2012. The Governor's budget recommendation eliminated this gap by providing additional appropriations and proposing \$42 million in cost containment strategies; however, the Iowa Legislature will ultimately decide SFY 2012 funding levels.

"Iowa Medicaid will continue to work with policy makers to keep them informed as they develop the budget for FY 12 and beyond."

*Medicaid Director
Jennifer Vermeer*



DHS Warns of Imposters In Ottumwa

On April 21st DHS officials said that Iowa residents should ask for proper identification before discussing personal information with people identifying themselves as DHS workers. DHS officials reported to Ottumwa police that three people within the last week have allowed imposters into their homes after a man identified himself as a

DHS worker. DHS Field Administrator Vern Armstrong said DHS social workers who ask to interview people are required to display state-issued badges that include color pictures of themselves. DHS workers do not enter a home without permission unless there is an emergency, in which case, they will be joined by police.

"People should call the police if they suspect an imposter is trying to gain information."

*DHS Field
Administrator*

Vern Armstrong

Understanding the IME Units: Program Integrity Unit (First in a Series)

"Iowa has been much more progressive than other Medicaid states. Iowa outsourced its PI responsibility -- doing that assures skilled people and modern tools. Iowa then doubled the performance standards for recoveries and overpayments from prior years to \$20 million to maximize return on their investment. Iowa is now evaluating adding recovery audit contracting (mandated in the Health Care Act) to incentivize recoveries in excess of the current \$20 million threshold. Iowa has demonstrated progressive thinking and solutions often not seen in other Medicaid programs."

INGENIX spokesperson
Bo Nowell

To report suspected Medicaid fraud in Iowa call this toll-free phone number:

(877)-446-3787
or email

SURS@dhs.state.ia.us

This series is intended to help increase awareness about the specialized units within the Iowa Medicaid Enterprise. This first story in the series focuses on the Program Integrity Unit, formerly known as Surveillance and Utilization Review Services or SURS. Federal law requires each state to have a Program Integrity unit. One of the main responsibilities of the Program Integrity Unit is to spot potential fraud, build a case and work closely with the Department of Inspections and Appeals (DIA) whose responsibility it is, when appropriate, to investigate and prosecute. According to the DIA website, "when Medicaid fraud is suspected, the DIA often works side-by-side with investigators from the Federal Bureau of Investigation, the U.S. Postal Service, as well as other state and federal law enforcement agencies."

Program Integrity efforts at Iowa Medicaid are part of an overall national strategy by the Centers for Medicare and Medicaid (CMS) to combat Medicaid "fraud, waste and abuse". These efforts were reinvigorated with funds and focus in 2005, with the passage of the Deficit Reduction Act. The Act created and provided funding for the national Medicaid Integrity Program (MIP). Congress has appropriated \$75 million per year for integrity efforts including contractors to review provider activities, audit claims and identify overpayments and

by providing support and assistance to the states to combat fraud and abuse. The Program Integrity Unit of Iowa Medicaid implements oversight strategies that result in cost avoidance and cost recovery of limited Medicaid dollars. The post-payment focus of the Unit primarily seeks to ensure accuracy of claims. Iowa Medicaid processes over 20 million claims each year so this is no small task.

How does Iowa Medicaid accomplish their goals of ensuring accuracy? The Program Integrity Unit utilizes a wide range of tools to ensure accuracy of claims including highly sophisticated data mining (comparisons, algorithms, identification of outliers, matching and peer comparisons) and determinations of "medical necessity" and "value management". An example of a recent effort of the Medicaid value management process was to review the use of high-tech radiology for Medicaid patients. After a thorough review of data, it was determined that high-tech radiology was being over utilized and presented increased health risks. The result of the study was to implement prior authorization for high-tech radiology for Medicaid patients (excluding emergency room and in-patient hospitalization situations). The current turnaround time for prior authorizations is

the same day; 85% are authorized within six hours.

On July 1, 2010 a contract was awarded to Ingenix, a health information company, to provide the data mining tool for Iowa Medicaid. According to Patti Ernst-Becker, the Unit Manager for the Program Integrity Unit, "prior to the use of Ingenix's tools our data mining capabilities were antiquated". Ingenix seeks to solve problems by providing tools to increase revenue, streamline operations, reduce costs, improve quality and achieve compliance. Ingenix provides services on a global scale.

Are the Iowa Medicaid program integrity efforts working? The federal government conducts a Payment Error Rate Measurement (PERM) review every three years. The most recent review was conducted in Federal Fiscal Year 2008. Iowa did well with an overall Medicaid Error Rate of 4.91%. This error rate was well below the national average. The fee-for-service error rate was 1.7%; managed care error rate was 0.00%; and the eligibility payment rate was 3.3%. The next PERM review takes place this year and Ernst-Becker believes that Iowa will rate even better.

"We anticipate our error rate, which was below the national average last time it was measured, will be even lower this year."

Patti Ernst-Becker
Unit Manager



Learn more about the DIA Medicaid Fraud Unit at their website:
<http://www.state.ia.us/government/dia/page15.html>

Learn more about the CMS strategy at their website:
<http://www.cms.gov/FraudAbuseforProfs/>

Learn more about Ingenix at their website:
<http://www.ingenix.com/>

DHS Web Redesign Survey: What's Your Opinion?

The Iowa Department of Human Services is considering replacing or updating the existing website that has been in place for about seven years. Part of the plan-

ning effort is to gain information from web users about the features that are most important to them. We invite you to be part of this process by completing the

survey which is posted on the DHS website.

Your input is important and we appreciate your time. Please complete your survey by May 5th.

DHS and IME Website Survey and Assessments

<http://www.surveymonkey.com/s/dhswebsurvey>

Reader Satisfaction Survey: Coming Soon

The Iowa Medicaid Enterprise "Endeavors Update" Newsletter is nearing the end of its initial phase and is preparing for evaluation and retooling, if necessary. The newsletter was intended as a way to strengthen partnerships with stakeholders and promote understanding by regularly sharing information about issues of interest. June will mark the last edition in the first year

of the effort. Next month, May 2011, we will conduct a brief reader survey to gauge your reaction to the newsletter content (regular features and news stories), length, frequency and design. We have been receiving positive comments from readers throughout the year. We appreciate the feedback. Look for a link to the survey in the May edition of the newsletter.

DHS Deputy Director for Administration Announces Retirement

The IME wishes a happy retirement to Jan Clausen, Deputy Director for Administration, who has announced that she plans to retire after over three decades of service at DHS. Some of you have had the opportunity to work with Jan in her capacity as DHS budget expert.

In a note to colleagues Jan said, Over the past 31+ years, I've had the opportunity to work with creative, compassionate, and committed staff across the Department." Medicaid Jennifer Vermeer said "I can't imagine this place without her." Good luck and best wishes to Jan.



Reminder

IME Medical Director, Dr. Jason Kessler, writes a monthly column called the "Medical Director's Minute". Link to the latest edition at:

<http://www.ime.state.ia.us/Providers/Newsletters.html>



Iowa Medicaid programs serve Iowa's most vulnerable population, including children, the disabled and the elderly.

We're on the web!

<http://www.ime.state.ia.us/>

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The Iowa Medicaid Enterprise (IME) is an endeavor, started in 2005, to unite State staff with "best of breed" contractors into a performance-based model for administration of the Medicaid program.

The Medicaid program is funded by State and Federal governments with a total budget of approximately \$4.2 billion. The \$4.2 billion funds payments for medical claims to over 38,000 health care providers statewide.

Iowa Medicaid is the second largest health care payer in Iowa. The program is expected to serve over 656,000 Iowans, or 21% of the population in State Fiscal Year 2012.

Iowa Medicaid Upcoming Events: May & June 2011

May 17	MAAC Executive Committee http://www.ime.state.ia.us/MAAC/#search='maac'
June 1	Drug Utilization Review http://www.iadur.org/meetings
June-August	Annual Provider Trainings 2011 http://www.ime.state.ia.us/Providers/ATRegistration.html
June 9	Pharmaceutical & Therapeutics Committee http://www.iowamedicaidpdl.com/index.pl/pt_committee_info?oCache=461;1302809163
June 20	hawk-i Board Meeting http://www.hawk-i.org/en_US/board.html
June 21	MAAC Executive Committee http://www.ime.state.ia.us/MAAC/#search='maac'

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